

Media Liability

Management Liability

Directors and Officers

Employment Practices

Fiduciary

Professional Liability

Media

Miscellaneous

Network Security and Privacy Injury

Technology and Telecommunications

Crime

Management and Professional Liability



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Companies that specialize in creating, gathering and disseminating information can be at risk due to the nature of their business.

- With an increasingly litigious society and the evolution of technology, a media organization may be at risk for claims from virtually anyone who has seen or heard its content in any type of medium including television, print, radio and the Internet.
- Third-parties such as agents, distributors, independent contractors, freelancers (e.g. writers, photographers, artists, and website developers) may create a liability for a media company that they are working for. Even organizations with strong loss control procedures in place can be at risk.

CNA's media appetite consists of:

- Advertising Agents
 - Authors
 - Broadcasters
 - Commercial Photographers
 - Documentary Production
 - Graphic Designers
 - Marketing Firms
 - Media Planning/Buying
 - Media Reproduction
 - Multimedia Firms
 - Newspapers
 - Photographers
 - Public Relation Firms
 - Publishers (including Magazines)
 - Radio & Television Stations
 - Video Production
 - Web Design
- ... we will consider many more

CNA provides coverage for a wide range of media claims:

- Defamation, libel, slander, emotional distress, mental anguish or outrageous conduct
- Infringement of copyright, title, logo, slogan, trademark, trade name, service mark or service name
- Invasion, infringement or interference with rights of privacy
- Plagiarism, piracy or misappropriation of ideas
- Wrongful entry or eviction, trespass, eavesdropping or other invasion of the right of private occupancy
- Disruptive or misleading advertising
- False arrest, detention or imprisonment
- Errors and Omissions coverage in the course of performing media activity

Media Coverage Highlights:

- Occurrence or Claims made triggers available
- Broad definition of Media Activity (includes dissemination through wireless or electronic medium)
- Definition of Claim includes (a) a written demand for monetary or non-monetary relief, (b) a written request to toll or waive a statute of limitations, and (c) a civil proceeding or any alternative dispute resolution proceeding, any administrative or regulatory proceeding or investigation.
- Definition of Insured Person includes seasonal, temporary, leased or loaned employees and independent contractor. Also includes any agent or non-compensated author of the insured entity.
- Definition of Loss includes punitive and exemplary damages, and the multiplied portion of multiplied awards (where insurable by law that most favors coverage).
- Coverage for the negligent supervision of employees
- Assumed under contract coverage
- Unfair competition coverage in conjunction with misappropriation of intellectual property rights
- Cost of Corrections Sublimit for qualified insureds
- Capped defense outside the limits available for qualified risks.
- Defense for claims involving allegations of fraud until final adjudication. Acts of one insured person will not be imputed to any other insured person.
- Policy will not cease if the insured refuses to reveal or accidentally identifies a confidential source.
- Risk Mitigation Credit

Broad coverage for Media Professional Liability is provided as one part of the Epac ExtraSM policy. Epac ExtraSM allows insureds to package multiple coverages on one policy.

Coverage Scenarios

Advertising Agency

The Facts: An advertising agency was retained to run an ad campaign for a chain restaurant. The campaign included print and TV ads which highlighted the restaurant's southwestern specialties and atmosphere. Another restaurant chain, however, was running a similar campaign. Litigation was commenced against the agency and its client. The plaintiff alleged copyright infringement, plagiarism and misappropriation of business titles and slogans. Damages sought by the plaintiff included its alleged lost business. The client cross-claimed against the ad agency on the grounds that it was responsible for the campaign.

The Bottom Line: The case went to trial and the jury returned a verdict against the agency for \$675,000 representing the amount of its lost business. Defense costs through trial were \$100,000.

Broadcasters

The Facts: Radio station WXYZ aired a daily program which was hosted by a controversial broadcaster. He was known for his strong opinions and abrasive manner. During a program dealing with local politics, the broadcaster stated that the mayor frequently associated with members of organized crime. He also stated that the mayor was involved in an extra-marital affair. The mayor thereafter commenced an action against the radio station and broadcaster, alleging that he was slandered during the program. He also asserted allegations based on casting him in a "false light," outrageous conduct and infliction of emotional distress. The broadcaster and radio station asserted that the content of the program fell squarely within their First Amendment rights. Discovery revealed that the mayor had casual acquaintances who were accused of being involved with organized crime and he had also experienced problems with his marriage. The court granted the defendants summary judgment dismissing the slander count on constitutional grounds and a trial was held on the remaining counts.

The Bottom Line: The jury found that the defendants had cast the plaintiff in a false light and negligently inflicted emotional distress as a result and awarded a verdict in the amount of \$1,000,000. It was reduced as a result of appeal to \$500,000. Defense costs totaled \$100,000.

Publishers

The Facts: The publisher of a local newspaper wanted to have the first story on a celebrity who had just arrived in town. The celebrity had been accused of indulging in a hedonistic lifestyle despite his professed family values. The publishers sent a team of reporters and photographers to the celebrity's town house. The team waited outside and confronted the celebrity each time he went through the door. One photographer disguised as a repair person entered the house and took pictures. The team thereafter shadowed the celebrity's movements. He was photographed at several functions with the use of telescopic lenses. The newspaper printed a lengthy story about the celebrity's private life. The story was heralded by radio and television advertisements which stated that the paper would publish a stunning expose about the celebrity. He thereafter commenced litigation against the publisher alleging invasion of privacy, trespass and the unauthorized use of his name and likeness for commercial purposes. The litigation proceeded for a year and a half. The conduct of the reporting team, particularly the photographer's entry into the plaintiff's house on a false pretext, hampered the defense and the plaintiff refused to negotiate a settlement.

The Bottom Line: A trial was held and the jury returned a verdict against the publishers for \$375,000. Defense costs totaled \$95,000.

To learn more about CNA's Management and Professional Liability offerings, contact your agent or broker.